United Nations

Report of the Ad Hoc Committee on the Indian Ocean

18 July 2007

General Assembly
Official Records
Sixty-second Session
Supplement No. 29 (A/62/29)

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18 July 2007

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Note

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Chapter I
Introduction

1. By its resolution 60/48, the General Assembly, after taking note of the report of the Ad Hoc Committee on the Indian Ocean,[1] requested the Chairman of the Committee to continue his informal consultations with the members of the Committee and to report through the Committee to the General Assembly at its sixty-second session.

2. Pursuant to that resolution, the Committee held its formal session (452nd meeting) on 18 July 2007 at United Nations Headquarters. The Chairman also held a number of consultations and meetings during 2007.

3. At the 452nd meeting, on 18 July, the following delegations made statements in the general discussion under agenda item 3: Australia, Indonesia and Pakistan.

4. The Committee is composed of the following States:

(a) 43 members:

Australia
Bangladesh
Bulgaria
Canada
China
Djibouti
Egypt
Ethiopia
Germany
Greece
India
Indonesia
Iran (Islamic Republic of)
Iraq
Italy
Japan
Kenya
Liberia
Madagascar
Malaysia
Maldives
Mauritius
Mozambique
Netherlands
Norway
Oman
Pakistan
Panama
Poland
Romania
Russian Federation
Seychelles
Singapore
Somalia
Sri Lanka
Sudan
Thailand
Uganda
United Arab Emirates
United Republic of Tanzania
Yemen
Zambia
Zimbabwe

(b) Observers:

Nepal
South Africa
Sweden

[1] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 29* (A/60/29).

5. The elected officers of the Committee were as follows:

Chairman:
Prasad Kariyawasam (Sri Lanka)

Vice-Chairmen:
Ben Milton (Australia)
Adam M. Tugio (Indonesia)
Filipe Chidumo (Mozambique)

Rapporteur:
Modeste Randrianarivony (Madagascar)

Chapter II
Work of the Committee in 2007

A. Agenda of the Committee

6. At its 452nd meeting, on 18 July, the Committee adopted the agenda as contained in document A/AC.159/L.137, which read as follows:

1. Opening of the session.
2. Adoption of the agenda.
3. Report of the Chairman of the Committee pursuant to paragraph 3 of General Assembly resolution 60/48.
4. Report of the Committee to the General Assembly at its sixty-second session.
5. Other matters.

B. Report of the Chairman of the Committee

7. At its 452nd meeting, on 18 July, the Committee considered its agenda item 3 concerning the report of the Chairman of the Committee pursuant to paragraph 3 of General Assembly resolution 60/48. The Chairman made the following comprehensive statement on his consultations:

> "The Ad Hoc Committee on the Indian Ocean last reported to the Assembly at the sixtieth session of the Assembly, in 2005, in accordance with its mandate. The Ad Hoc Committee is meeting today in keeping with General Assembly resolution 60/48, entitled "Implementation of the Declaration of the Indian Ocean as a Zone of Peace", in which the Assembly requested the Chairman of the Ad Hoc Committee to report through the Committee to the Assembly at its sixty-second session.
>
> "As you are aware, over the years, despite sustained efforts, this Committee has not been able to reach agreement on ways and means of implementing the Declaration of the Indian Ocean as a Zone of Peace. This does not mean, however, that the objectives of the Declaration or what was envisioned by the Declaration have ceased to have validity or meaning. The Declaration's vision was to create the Indian Ocean as a Zone of Peace to ensure that the peoples of the littoral and hinterland States of the Indian Ocean may resolve their political, economic and social problems under conditions of peace and tranquillity while preserving their independence, sovereignty and territorial integrity. This is a vision which continues to endure and is even increasingly relevant.
>
> "Since the adoption of the Declaration in 1971, however, the world, in a geopolitical and strategic sense, has undergone many changes. The world has seen the end of super-power rivalry, which has had its impact on the Indian Ocean Zone as well. This rivalry was a source of disquiet at the time and is no more relevant in that context.

"In the meantime, as positive developments, the Indian Ocean Zone has seen the rise of several cooperative initiatives emanating from the region aimed at bringing about socio-economic development in the countries of the region on the basis of economic, technical and scientific cooperation. However, the world has also seen the rise of new security concerns and compulsions which have an impact on the region. Terrorism has today become a universal threat which transcends boundaries of States and regions, affecting the lives of people in the furthest corners of the world. The Indian Ocean Zone is not immune to this menace, which threatens the ability of States in this Zone to address political, economic and social problems under conditions of peace and security. It is also apparent that disarmament and arms control efforts in the region have lagged behind.

"When the Declaration is viewed against this backdrop, one cannot ignore that the Ad Hoc Committee is in fact the only United Nations body of its kind that has the capacity to address security issues affecting the region in a broader sense involving all interrelated aspects and issues. It may, therefore be useful for members of the Ad Hoc Committee, as we have been unable to find agreement on how to implement the Declaration, to consider other options too. For instance, in the context of the ongoing United Nations reform process, it may be possible to consider exploring a new approach to the scope of the work of the Committee. This could even involve consideration of revision of the Declaration in an appropriate manner to bring the Declaration into line with current realities and needs. However, such an approach needs further broader consultations among the States of the region and those outside which retain an abiding interest in the region.

"In view of the complexities and difficulties involved in the implementation of the Declaration, as well as the evolving security compulsions and strategic scenario in the region, it is apparent that more time will be needed before we could embark on any discussion on practical measures to ensure peace and stability in the Indian Ocean in line with the 1971 Declaration or its possible derivative.

"However, there is no provision for another meeting of the Ad Hoc Committee to be held to discuss aspects of our mandate further in order to make the Declaration useful and relevant to the present day. Nevertheless, the opportunity exists for the Bureau of the Ad Hoc Committee to conduct informal consultations with a view to putting forward, at a future date, suitable proposals to make the Committee a more useful body of the United Nations, with a view to contributing to peace and prosperity in the Indian Ocean region in the long term.

"In the circumstances, the members of the Ad Hoc Committee may consider recommending that the General Assembly allow additional time for consultations as to how measures envisaged in the Declaration of the Indian Ocean as a Zone of Peace could be considered in a more focused manner and allow the Chairman of the Committee more time to continue his consultations."

8. During the meeting, an exchange of views was held on, inter alia, the work of the Committee.

9. The Committee reaffirmed the conclusions it had reached during its 1994, 1995 and 1996 sessions and emphasized the need to foster consensual, step-by-step approaches, particularly given the propitious international climate, which was conducive to the pursuit of such endeavours. The Committee reaffirmed its commitment to the realization of the goals of peace, security and stability in the Indian Ocean region.

10. The Committee remained convinced that the participation of all the permanent members of the Security Council and the major maritime users in the work of the Committee was important and would assist the progress of a mutually beneficial dialogue aimed at developing conditions of peace, security and stability in the region.

C. Recommendations

11. The Chairman was requested to continue informal consultations with the members of the Committee and to report through the Committee to the General Assembly at its sixty-fourth session.

D. Adoption of the report of the Committee

12. At its 452nd meeting, on 18 July, the Rapporteur of the Committee introduced its draft report.

13. At the same meeting, the Chairman informed the members of the Committee of his intention to hold informal consultations concerning the text of the draft resolution to be submitted to the General Assembly at its sixty-second session.

14. Also at the same meeting, the Committee adopted its report.

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United Nations

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Abbreviations

ACPAQ	Advisory Committee on Post Adjustment Questions
CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
CEB/HLCM	United Nations System Chief Executives Board for Coordination/High-Level Committee on Management
CEB/HR Network	United Nations System Chief Executives Board for Coordination/Human Resources Network
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UPU	Universal Postal Union
WFP	World Food Programme

WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
UNWTO	World Tourism Organization

Glossary of technical terms

Base/floor salary scale

For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world are those given in this scale.

Broad banding

A method of providing greater flexibility to reward individual performance and contribution. The term describes the action of combining and replacing several classification levels by a single, broader classification level (called a "band"). A broad banded system is characterized by a limited number of wider bands or ranges and a bigger salary overlap between bands.

Career development

Career development concerns: (a) how individuals manage their career within and between organizations; and (b) how organizations structure the career progress of their members. It involves occupational skilling or training that provides practice and refinement of skills related to a particular job or occupation.

On an individual level, career development is a lifelong process of exploring, choosing and acting on educational and occupational options. It also includes how individuals incorporate their values about work, their beliefs about their own interests and abilities, their decisions about education and their knowledge about the world of work and manage the interaction between work and other life roles.

From an organizational point of view, career development usually involves a systematic programme of coordinated information and experiences designed to facilitate individual career development and management. This is often linked to succession planning which is the process of identifying and preparing suitable employees through mentoring, training and job rotation to replace key players within an organization as their terms expire.

Comparator

Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States federal civil service has been used as the comparator since the inception of the United Nations. See also "highest paid civil service" and "Noblemaire principle".

Competencies

A combination of skills, attributes and behaviours that are directly related to successful performance on the job. Core competencies are the skills, attributes and behaviours which are considered important for all staff of an organization, regardless of their function or level. For specific occupations, core competencies are supplemented by functional competencies related to respective areas of work.

Consolidation of post adjustment	The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or "consolidating" it into the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment multiplier points at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to staff. This method of implementation, referred to as "no gain/no loss", results in no change in take-home pay for staff and produces no additional costs related to salary for the organizations.
Cost-of-living differential	In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost of living between New York and Washington is applied to the comparator salaries to determine their "real value" in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.
Dependency rate salaries	Net salaries determined for staff with a primary dependant.
Federal Employees' Pay Comparability Act	The Federal Employees' Pay Comparability Act (FEPCA) (1990), passed by the United States Congress, whereby the pay of federal civil service employees would be brought to within 5 per cent of non-federal-sector comparator pay over a period of time.
Flemming principle	The basis used for the determination of conditions of service of the General Service and other locally recruited categories of staff. Under the application of the Flemming principle, General Service conditions of employment are based on best prevailing local conditions.
General Schedule	A 15-grade salary scale in the comparator (United States) civil service, covering the majority of employees.
Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Madrid, Montreal, New York, Paris, Rome and Vienna. While the Universal Postal Union is headquartered at Berne (Switzerland), post adjustment and General Service salaries at Geneva are currently used for Berne.
Hedonic regression	A statistical method that can be used for estimating the price of an item while taking into account changes in the quality and other characteristics of the item over time. In essence, the method attempts to estimate price changes over time for items of the same quality, thereby making it possible to make more accurate time-to-time comparisons. The technique is used most frequently by statistical agencies that compile consumer price indices or time-to-time indexes, for items whose quality changes frequently over time, such as personal computers and electronic equipment.

Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also "comparator" and "Noblemaire principle".
Locality-based pay	Under FEPCA (see above), the United States Government has established approximately 30 separate locality pay areas. The locality-pay provision of FEPCA is based on average salary levels prevailing in the local labour market. For federal civil servants in a given locality, FEPCA provides for the payment of an ECI-based increase plus a locality-pay adjustment, if appropriate, for the period 1994-2002, with a view to ensuring that federal pay is brought to within 5 per cent of the non-federal pay for the locality.
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States federal civil service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, is the net remuneration margin.
Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also "Comparator" and "Highest paid civil service".
Pensionable remuneration	The amount used to determine contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund (UNJSPF). Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.
Performance management	The process of optimizing performance at the level of the individual, team, unit, department and agency and linking it to organizational objectives. In its broadest sense, effective performance management is dependent on the effective and successful management of policies and programmes, planning and budgetary processes, decision-making processes, organizational structure, work organization and labour-management relations and human resources.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location, compared with such costs in New York at a specific date.
Post adjustment classification	Classification of a duty station that is based on the cost of living index. It is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay.
Single rate salaries	Net salaries determined for staff without a primary dependant.

Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.
Strategic bonuses	Recruitment, retention or relocation bonuses awarded to select staff or groups of staff, which are designed to attract potential staff, retain staff in service and relocate staff who, in the absence of such bonuses, could not be recruited, retained or relocated.
Tax abatement	In the context of dependency allowances, tax credit or relief provided to taxpayers who are responsible for the financial support of dependants (spouse, children, parents, etc.) in the tax systems of a number of countries.

Letter of transmittal

10 August 2007

Sir,

I have the honour to transmit herewith the thirty-third annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

(*Signed*) Kingston P. **Rhodes**
Chairman

His Excellency
Mr. Ban Ki-moon
Secretary-General of the United Nations
New York

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference

II. Resolutions and decisions by the General Assembly and the legislative/governing bodies of the other organizations of the common system

A. Response to General Assembly resolution 61/274 on the comprehensive proposal of the United Nations Secretary-General on appropriate incentives to retain staff of the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the Former Yugoslavia

22 In accordance with paragraph 8 of resolution 61/274, the Commission advises the General Assembly that (a) special financial retention incentives for the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the Former Yugoslavia are not considered appropriate because they are not provided for in the common system and as such would set a precedent, which should be avoided; (b) the existing contractual framework should be used to grant contracts that would remove the uncertainty with regard to future employment; (c) other non-monetary incentives should be made available; (d) those staff from the Tribunals who are offered appointments in another common system organization should have their reporting date for the new assignment set to coincide with completion of their work with the Tribunal.

B. Remuneration of the Professional and higher categories

1. Base/floor salary scale

31 The Commission recommends to the General Assembly, for approval with effect from 1 January 2008, the base/floor salary scale for the Professional and higher categories shown in annex III to the present document.

2. Evolution of the United Nations/United States net remuneration margin

25 The General Assembly may wish to take note that the margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2007, is estimated at 113.9.

Paragraph reference

C. Conditions of service applicable to both categories

Modernizing and simplifying allowances

Language incentive

The Commission makes the following recommendations to the General Assembly:

(a) The long-standing flexibility provided to the organizations in applying the language recognition schemes and other tools to promote multilingualism in the United Nations common system has been effective in meeting their diverse operational needs and should therefore be maintained;

66 (b) The organizations should be encouraged to continue, taking into account their practical needs and within their budget considerations, efforts to promote the use of additional foreign languages in a multicultural environment of international civil service to further their operational goals;

(c) When reviewing or developing programmes to improve the organizational effectiveness through multilingualism, the organizations should, where appropriate and advisable, consider the ICSC guidelines.

Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations

Paragraph reference	
	Conditions of service of the General Service and other locally recruited categories
46	As part of its responsibilities under article 12, paragraph 1, of its statute, the International Civil Service Commission conducted the survey of best prevailing conditions of employment for the General Service staff in London and recommended the resulting salary scale and dependency allowances to the Secretary-General of the International Maritime Organization.

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference	
	A. Remuneration of the Professional and higher categories
	Base/floor salary scale
29	The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale as shown in annex III are estimated at approximately $0.349 million per annum, system-wide.
	B. Remuneration of the General Service and other locally recruited categories
	Survey of best prevailing conditions of employment in London
50	The financial implications associated with the implementation of the salary scale for the General Service and related categories as well as the revised rates of dependency allowances by the London-based common system organizations were estimated at $0.137 million per annum.

Chapter I
Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission, approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ..."

2. To date, 13 organizations have accepted the statute of the Commission and, together with the United Nations itself, participate in the United Nations common system of salaries and allowances.[1] One other organization, although not having formally accepted the statute, participates fully in the work of the Commission.[2]

B. Membership

3. The membership of the Commission for 2007 is as follows:

Chairman

Kingston P. Rhodes (Sierra Leone)***

Vice-Chairman

Wolfgang Stöckl (Germany)**

Members

Fatih Bouayad-Agha (Algeria)*
Shamsher M. Chowdhury (Bangladesh)*
Minoru Endo (Japan)**
Guillermo Gonzalez (Argentina)***
Vladimir Morozov (Russian Federation)*
Lucretia Myers (United States of America)**
Emmanuel Oti Boateng (Ghana)***
Anita Szlazak (Canada)***
Gian Luigi Valenza (Italy)**
Gilberto C. P. Velloso (Brazil)**
Xiaochu Wang (China)*
Eugeniusz Wyzner (Poland)***
El Hassane Zahid (Morocco)*

* Term of office expires 31 December 2008.

** Term of office expires 31 December 2009.

*** Term of office expires 31 December 2010.

[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO and UNWTO.

[2] IFAD.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2007, the sixty-fourth, which took place from 19 to 30 March at the United Nations Headquarters in New York and the sixty-fifth which took place from 9 to 20 July at the headquarters of the World Meteorological Organization in Geneva.

5. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are discussed in the present report.

D. Programme of work of the Commission for 2008-2009

6. The programme of work of the Commission for 2008-2009 is contained in annex I.

Chapter II

Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system

7. At its sixty-fourth session, ICSC considered a report on the actions concerning the common system taken by the General Assembly at the main part of its sixty-first session. At the request of its Chairman, the Commission was also informed in some detail by its Executive Secretary of the presentation of the thirty-second annual report of the Commission to the General Assembly, the general debate thereon in the Fifth Committee, the informal consultations held among Member States, which led to the adoption by consensus of General Assembly resolution 61/239 of 22 December 2006, on the common system.

8. Details were also provided to the Commission on resolutions and/or decisions adopted by the legislative/governing bodies of the other organizations of the common system. In that context, the decisions by the Industrial Development Board of the United Nations Industrial Development Organization and by the Council of Administration of the Universal Postal Union were brought to the attention of the Commission.

A. Response to General Assembly resolutions 61/239 and 61/244 of 22 December 2006

9. The General Assembly had exceptionally requested the Commission to report, at the Assembly's second resumed sixty-first session (May 2007), on two items. One request was included in section D of resolution 61/239 on the common system and related to staffing of field missions and a review of the entitlements of internationally recruited staff in non-family duty stations. The other request was included in paragraph 2 of section VI of resolution 61/244 on human resources management and related to the issue of contractual arrangements. The Commission's report on these two items was submitted to the General Assembly as an addendum to the thirty-second annual report of ICSC.[3]

B. Response to General Assembly resolution 61/274 of 29 June 2007

10. In paragraph 8 of its resolution 61/274 of 29 June 2007, the General Assembly requested ICSC to advise it on the proposal of the Secretary-General contained in his report entitled "Comprehensive proposal on appropriate incentives to retain staff of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia".[4]

11. At its sixty-fifth session, the Commission considered this proposal based on the reports of the Secretary-General[4] and the Advisory Committee on Administrative and Budgetary Questions (ACABQ),[5] joint presentations by the administrations of

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[3] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30, Addendum* (A/61/30/Add.1).

[4] A/61/824.

[5] A/61/923.

the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the Former Yugoslavia as well as a conference room paper prepared by the ICSC secretariat. Representatives of both Tribunals made presentations and the representatives of Federation of International Civil Servants' Associations and Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) also addressed the issue and expressed their support for the Secretary-General's proposal.

Discussion in the Commission

12. The Commission agreed that the Secretary-General's proposal was appropriately addressed within the framework of the common system and expressed gratitude to the Assembly for requesting its advice on this important matter. The Commission focused its attention on the merits of the Secretary-General's proposal for financial retention incentives, the effect such incentives would have on the common system, and the tools which might be available within current Staff Regulations and Rules to assist in an orderly phase-out of the Tribunals' operations.

13. The Commission recognized the exceptional mission of the Tribunals. It, nevertheless, concluded that granting financial retention incentives to staff of the Tribunals on an ad hoc or exceptional basis would set a precedent for the common system, which should be avoided. The Commission also deemed that the future downsizing and operational closure of the Tribunals was not sufficiently unique to justify exceptional treatment, as other entities faced similar phenomena.

14. Discussion also took place on the possibility of granting financial incentives without setting a precedent for the common system. One member recalled that several peacekeeping operations — the United Nations Mission in Kosovo to cite but one — had sought approval from the General Assembly to use various staff retention measures beyond those of the common system. The Commission was of the opinion that in the future, other common system organizations would face the need to phase out operations while retaining staff essential for an orderly completion of their mandates.

15. The Commission noted that the Tribunals had not identified those key staff who would be essential for an orderly phase-out of their mandate. The members did not agree that all functions performed by both the Professional and General Service categories of staff required knowledge that could be gained solely through experience working in the Tribunals.

16. The members noted that because the workforce had an average of five years' seniority, there was a powerful incentive for both categories of staff to remain as long as possible in order to vest in the United Nations Joint Staff Pension Fund and build up their years of participation in the Fund.

17. The Commission also discussed the planned reduction in the number of posts during 2008 and 2009, observing that the vacancy rates at the Tribunals were relatively low compared, for example, to the 30 per cent vacancy rates in the United Nations peacekeeping operations.

18. With regard to the use of recruitment, retention and relocation bonuses in the common system, the Commission recalled that the United Nations System Chief Executives Board for Coordination/Human Resources Network and staff associations had expressed doubts as to whether such bonuses could effectively be

used, as they were not paid across the board and, therefore, required managerial discretion and judgment as to the recipients.

19. The Commission then explored ways to assist the Tribunals within the framework of the existing Staff Regulations and Rules. It supported most of the non-financial incentives that were already offered and recommended others which are outlined below.

20. The Commission was of the opinion that the uncertainty with regard to future employment could be removed if the Tribunals identified the staff who could be released as a result of the post reduction in 2008-2009 and offered them contracts consistent with the date the need for their services would end. All staff occupying key posts requiring special skills and expertise which would be needed until the end of the mandate should be offered contracts through to the end of that mandate. If reductions in this category were not achieved through natural attrition, any International Criminal Tribunal for the Former Yugoslavia or International Criminal Tribunal for Rwanda decision to end the contract earlier than foreseen would trigger eligibility for termination indemnities. The Commission shared the view of the Advisory Committee on Administrative and Budgetary Questions that the actual rotation rates would depend on decisions taken by staff with respect to their personal situation and the opportunities presented to them in the future.[6]

Decisions of the Commission

21. The Commission decided to recommend to the General Assembly that:

(a) Special financial retention incentives for the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the Former Yugoslavia were not considered appropriate because they were not provided for in the common system and as such would set a precedent, which should be avoided;

(b) The existing contractual framework should be used to grant contracts that would remove the uncertainty with regard to future employment as follows:

(i) For all staff members occupying key posts, for example, prosecutors, forensic specialists and investigators, fixed-term contracts should be granted that extend for the duration of the mandate of the Tribunals. If turnover was insufficient and staff had to be terminated before the end of the mandate because their skills were no longer needed, staff would be eligible for termination indemnities if they otherwise met the requirements;

(ii) For the remainder of the staff, the skills needed through each planned post reduction should be identified and fixed-term contracts offered, consistent with the dates of the planned post reductions;

(c) Other non-monetary incentives should be made available to all staff of the Tribunals, such as outplacement services, consideration as internal candidates when applying for jobs in other common system organizations, use of special post allowance to facilitate orderly phase-down of the Tribunals, expansion of training options, establishment of an internal G to P examination, recruitment of qualified spouses, enhanced system-wide coordination in the areas of career development, mobility and secondment;

[6] Ibid., para. 5.

(d) Those staff from the Tribunals who are offered appointments in another common system organization should have their reporting date for the new assignment set to coincide with completion of their work with the Tribunal.

Chapter III

Implementation by organizations of decisions and recommendations of the International Civil Service Commission

22. At its sixty-fifth session, ICSC considered available information from the organizations relating to their implementation of ICSC decisions and recommendations made since its 2005 annual report. The Commission decided to defer consideration of the item owing to insufficient information.

Chapter IV
Conditions of service of the Professional and higher categories

A. Evolution of the United Nations/United States net remuneration margin

23. Under a standing mandate assigned to it by the General Assembly, the ICSC continued to review the relationship between the net remuneration of United Nations staff in the Professional and higher categories in New York and that of United States federal civil service employees in comparable positions in Washington, D.C. (hereinafter referred to as "the margin"). For that purpose, the Commission annually tracks changes occurring in the remuneration levels of United Nations staff in the Professional and higher categories and of officials in comparable positions of the United States federal civil service, as well as other changes relevant to the comparison, including rates of taxation used for netting down comparator salaries and the cost-of-living relationship between New York and Washington, D.C.

Decision of the Commission

24. Based on the information provided, the Commission decided to report to the General Assembly that the margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2007, was estimated at 113.9. It also drew the attention of the Assembly to the fact that the average margin level for the past five years (2003-2007) had been below the desirable midpoint of 115, currently standing at 112.3.

25. The details of the comparison of average net remuneration of United Nations staff in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2007) are presented in annex II to the present report.

B. Base/floor salary scale

26. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in section I.H of its resolution 44/198. The scale is set by reference to the General Schedule salary scale of the comparator civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate) with the corresponding salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively). The adjustments are implemented by means of the standard method of consolidating post adjustment points into base/floor salary, namely, by increasing base salary while commensurately reducing post adjustment levels.

27. While generally neutral in terms of salary-related costs, the adjustment could, however, have a financial impact on duty stations where post adjustment is too low to absorb a base salary increase. In such locations, the new base salary scale serves

as a floor scale for net remuneration. For 2007, however, no duty stations were expected to have post adjustment that would otherwise fall below the new base/floor salary scale, and, therefore, no financial implications were projected under this item.

28. As the amount of separation payments is linked to the base/floor salary scale, the increase in the base/floor scale results in financial implications. The system-wide financial implications were estimated at $348,700 per annum.

29. Until 1 January 2007, a similar situation existed with regard to mobility and hardship payments. However, as the newly introduced mobility and hardship scheme had now been de-linked from the base/floor salary scale, the issue of the financial implications of the scheme would no longer arise in that context.

Decision of the Commission

30. The Commission recommended to the General Assembly, for approval with effect from 1 January 2008, the base/floor salary scale for the Professional and higher categories shown in annex III to the present document. The scale reflects a 1.97 per cent adjustment implemented through the standard consolidation method of increasing base salary and commensurately reducing post adjustment multiplier points.

C. Post adjustment matters

Report on the twenty-ninth session of the Advisory Committee on Post Adjustment Questions

31. Under article 11 of its statute, ICSC continued to keep under review the operation of the post adjustment system and in that context considered the report of the Advisory Committee on Post Adjustment Questions on the work of its twenty-ninth session.

32. At its sixty-third session, the Commission had requested the Committee to undertake a number of methodological studies pertaining to the 2010 round of place-to-place surveys, including the simplification of the post adjustment index structure by reducing the number of basic headings and the use of hedonic regression techniques for some high-technology products. The Committee also reviewed some simplifications of the approved methodology that it adopted earlier, in particular, the calculation of the two elements of the out-of-area component: the out-of-area weight and the out-of-area index. The Committee was also requested by the Commission to review the methodology for estimation of the cost-of-living differential between New York and Washington, D.C., as well as the formulas used to derive financial implications of recommendations and decisions of the Commission. While those issues are not directly related to the post adjustment system and thus fall beyond the usual scope of the Committee's work, it was expected that the Committee's general technical expertise would help the Commission make informed decisions about the issues at hand.

Discussion in the Commission

33. The representative of the CEB/HR Network expressed appreciation to ACPAQ and the ICSC secretariat for their work. He stated that representatives of 12 organizations and the CEB secretariat had participated in the ACPAQ session, and

that they fully concurred with the conclusions and recommendations contained in the document. He drew the attention of the Commission to three matters: the out-of-area index, the marketing of the cost-of-living survey questionnaires for the 2010 round; and capacity-building in post adjustment matters. He fully endorsed the idea of conducting an out-of-area survey to determine more precisely the actual nature of out-of-area expenditures and pledged full cooperation in the search for ways to ensure better staff participation not only in the proposed out-of-area survey but also in the 2010 round of place-to-place surveys. He also stressed the need to build capacity in post adjustment matters for the future, as the experts on such matters in most organizations are on the verge of retirement. He expressed the hope that some post adjustment development activities would be carried out in the near future. Those proposals were strongly endorsed by the representatives of staff associations, who pointed out that their active participation in ACPAQ meetings, sometimes even at their expense, was a clear manifestation of the high premium they placed on post adjustment issues.

34. While echoing the views of some participants, the representative of the Food and Agriculture Organization of the United Nations stated that the hedonic regression technique was interesting but a bit difficult to grasp. However, participants at the ACPAQ session learned a great deal about the potential applications of the technique and related issues, such as the use of the Internet as a source of price data in the future. He endorsed the inclusion of Internet purchases in the proposed out-of-area survey, pointing out that this would help resolve the difficult problem of determining precisely the nature of out-of-area purchases, leading to a more accurate measurement of the out-of-area component in an age of increased commercial transactions on the Internet. He also strongly supported the CEB/HR Network proposal for capacity-building on post adjustment matters for all organizations in the near future.

35. The Commission members and other participants asked for details and clarifications on a number of issues of interest, some related to possible changes in the post adjustment methodology, as described in the ACPAQ report. The secretariat answered all questions to the satisfaction of all participants. In particular, the secretariat reiterated that proposed changes in the methodology would be applied only to the 2010 round of surveys.

36. The Commission endorsed the proposed simplifications to the post adjustment index structure by reducing the number of basic headings, adding that that would yield benefits in terms of more staff participation in cost-of-living surveys and also consistency with the index structures of similar organizations. The Commission also expressed satisfaction with the cost-estimation models developed by the secretariat, adding that the models would help the Commission make informed recommendations to the General Assembly in the future (see annexes IV and V). The Commission requested the secretariat to submit a written description of both models for its files.

37. Regarding the methodology for estimating the cost-of-living differential between New York and Washington, D.C., developed by the data provider, the Commission pointed out that there was room for improvement in both the structure and content of the data provider's report that is submitted to the Commission every two years. Furthermore, the approval by the Commission of the present

methodology was not intended to preclude possible modifications. However, any modifications in the methodology should also be approved by the Commission.

38. In addressing various issues raised by the Commission and other participants, the secretariat appealed for the continuation and strengthening of the collaboration between the secretariats of CEB and ICSC, in the spirit of resolution 61/239, in which the General Assembly urged "the heads of organizations of the United Nations common system to fully support the work of the Commission, including by providing the latter with relevant information in a timely manner for studies that it conducts under its statutory responsibilities for the common system". Indeed, the accuracy of the models used by the Commission to formulate recommendations to the General Assembly depends on the quality of such data. Furthermore, the successful conduct of ICSC surveys, including the proposed out-of-area survey, would require the cooperation of CEB in the planning and execution of the surveys and, in particular, in helping to encourage more staff participation in the surveys.

Decision of the Commission

39. The Commission decided:

(a) To endorse the recommendations of the Advisory Committee in respect of the proposed simplifications of the post adjustment index structure;

(b) To request the secretariat to conduct an out-of-area survey to determine the out-of-area index and information on Internet purchases;

(c) To authorize the secretariat to negotiate with the data provider's specific proposals to improve the transparency and readability of its biennial report, but postpone any methodological modifications to 2010;

(d) To approve the Advisory Committee's recommendation to use the cost estimation models developed by the secretariat to estimate the financial implications of changes in both the base scale for staff in the Professional and higher categories, and in the mobility and hardship scheme (see annexes IV and V);

(e) To request the secretariat to develop a model to estimate financial implications of the education grant and present it at its sixty-sixth session.

D. Progress report on the development of a Senior Management Network

40. In its resolution 59/268 of 23 December 2004, the General Assembly requested the Commission to continue to monitor the project regarding the improvement of management capacity and performance among senior staff by CEB and to make recommendations to the Assembly, as appropriate. At its sixty-second session, the Commission decided to request updates at regular intervals from the CEB/HR Network on the development of the Senior Management Network.

41. At its sixty-fifth session, the Commission received a progress report on the implementation of the CEB/HR Network's strategic plan. The representative of the CEB/HR Network recalled that the Commission was informed of the development of a competency map by the United Nations System Staff College, the purpose of which was to align the six SMN core competencies with existing organizational competency frameworks.

42. The Commission was informed that the Rotterdam School of Management Erasmus University had been contracted to design the Leadership Development Programme. It was envisaged that this programme would be launched in the fourth quarter of 2007 for 50 members. The Secretary-General would be sending letters to all heads of agencies to request nominations for inclusion in the SMN. As of 2008, each agency would be expected to fund the participation of its own staff. It was estimated that the cost per participant would be between $10,000 and $12,000.

Discussion in the Commission

43. The Commission noted the development of the SMN to date and renewed its request for regular feedback on future progress. The Commission called upon the CEB/HR Network to keep the ICSC secretariat involved in the development of the SMN. The Commission also noted that its secretariat had four staff members eligible to join the SMN. The Commission had great interest in the planned development activities and asked that it be provided specifics on training programmes for new SMN members, including those provided by the United Nations System Staff College and the Rotterdam School of Management Erasmus University.

Conclusion by the Commission

44. The Commission took note of the information provided by the CEB/HR Network on the development of SMN among the organizations of the United Nations common system.

Chapter V

Conditions of service of the General Service and other locally recruited categories

Survey of best prevailing conditions of employment in London

45. Under article 12, paragraph 1, of its statute, the Commission conducted a survey of best prevailing conditions of employment for the General Service category of staff in London, with a reference month of November 2006. The recommended salary scale is reproduced in annex VI to the present report.

46. The annual net salary at the highest point in this scale, GS-7/11, is £38,602, or $77,204, at the May 2007 United Nations rate of exchange of US$ 2 per £1. This amount falls between the net remuneration (net base salary plus post adjustment) of Professional staff at the P-2/III and P-2/IV levels, at single rates. The Commission considered that such an overlap was not a cause for concern.

47. The recommended salary scale is 1.24 per cent higher than the current scale. However, an interim adjustment of the General Service scale of 3 per cent, which would have been due in October 2006, was suspended pending the completion of the survey. As the increase resulting from the salary survey is less than the interim adjustment, only the amount resulting from the salary survey, 1.24 per cent, would be applied to the existing salary scale and no further adjustment of the scale would be necessary as of the month of the survey (November 2006).

48. In addition to the new salary scale, the Commission recommended revised rates for dependency allowances, determined on the basis of tax abatements, legislative payments and the surveyed employer-specific payments.

49. The financial implications of the salary adjustment and the revision of the rates of dependency allowances are estimated at £69,000 per annum, or approximately US$ 137,000.

Chapter VI
Conditions of service applicable to both categories of staff

Review of the pay and benefits system

1. Monitoring of the pilot study of broad banding/reward for contribution (progress report)

50. The Commission was conscious that some difficulties confronting the volunteer organizations had slowed down progress on the pilot project. Therefore, representatives from the volunteer organizations were invited to participate, during the Commission's sixty-fifth session, in a frank discussion with the Commission on the progress made by their organizations to date and on the concerns they wanted to share, based on their organizations' experiences in the pilot project.

51. This open discussion clearly underlined the differences in respect of what the five volunteer organizations had been separately able to accomplish. An assessment and analysis of their experiences would help the Commission in selecting between alternative courses of action.

Decision of the Commission

52. The Commission decided to request its secretariat to conduct a comprehensive evaluation of the pilot study of the broad banding/pay-for-performance project in the five volunteer organizations, stressing the lessons learned, and to report to the Commission at its sixty-sixth session so as to enable it to take an appropriate decision on this study.

53. The Commission also requested the secretariat to collect information on best practices in national civil services and other international organizations on performance recognition and reward.

2. Modernizing and simplifying allowances

(i) All leave entitlements

54. The Commission had before it a document by CEB/HR Network and the ICSC secretariat focusing on three categories of leave: (a) annual leave; (b) sick leave including family-related leave; and (c) special leave with and without pay and leave related to service in field locations. In addition, information was provided relating to leave practices of the United States federal civil service, some international organizations outside the common system and selected Member States, as well as data on working hours in various locations.

Discussion in the Commission

55. The Commission recalled that its guidelines allowed flexibility to the organizations in implementing certain leave items. In this context, while the ICSC paternity leave guidelines provided for up to four weeks of leave and up to eight weeks in specific circumstances, the organizations had applied those guidelines flexibly in view of their functional needs, with some opting for the 4-week duration of paternity leave and others having as short as a 3-day leave for this purpose.

56. The Commission recognized that leave entitlements were an area where it should focus on those items that were essential for the cohesiveness and effective functioning of the common system, such as annual, home and sick leave, while flexibility to recognize the organizations' diverse operational goals with regard to other leave types could be appropriate. The consensus of the Commission was that, for all the flexibilities in this area, lines of communication between the organizations and ICSC should be open and that its Chairman should be consulted in cases where changes were being considered so that the feasibility of their common-system application could be ascertained.

Decision of the Commission

57. The Commission decided that its coordinating and regulating role in the area of leave entitlements should be concentrated on ensuring a consistent common system policy with respect to those elements of leave which were essential to maintaining harmonized recruitment incentives, facilitating mobility of staff and ensuring coherent conditions of employment among organizations with similarly situated staff. The areas of concentration would include, but would not be limited to, annual, home and sick leave.

58. Taking into account any guidelines established by the ICSC on other leave entitlements, the organizations should have the flexibility to address these issues in the light of recent trends and best practices in work/life balance, healthcare etc. When considering such issues, the organizations should consult with the Chairman of the Commission.

59. ICSC urged the organizations to strengthen partnership with the Commission in monitoring best practices and developments in the area of leave entitlements and to share this information with the Commission in a timely manner. For its part, the Commission would continue to keep organizations informed of practices within the common system.

(ii) Language incentives

60. The document of the ICSC secretariat on the issue of language incentives identified a divergence of approaches of common system organizations to language recognition and promoting multilingualism. Despite that divergence, all organizations were satisfied with the current arrangements, which they saw as an efficient set of tools to improve organizational effectiveness based on their specific operational needs, which differed among the organizations.

61. In reviewing the issue, the Commission was requested to decide whether harmonization of the organizations' various practices was necessary and, if so, the modalities of that harmonization.

Discussion in the Commission

62. It was noted that while all organizations supported and promoted multilingualism as a matter of policy and principle, they applied different approaches to achieve that goal. Those approaches had, in most cases, been in place for several decades and ranged from sharing language training expenses with staff to operating language recognition schemes (language allowance for the General Service staff and language incentive for the Professional staff), with a number of

organizations making proficiency in at least two languages a recruitment requirement. Both the organizations and the staff considered that such flexibility had functioned satisfactorily and was necessary in addressing the organizations' diverse operational mandates.

63. The Commission found the various approaches to be effective in meeting the organizations' individual operational needs as they related to languages. It recalled in that context that the General Assembly, having frequently reaffirmed its commitment to multilingualism, did allow flexibility with regard to specific tools to achieve it, in particular, leaving it to organizations and their governing bodies to decide whether a language incentive scheme would best meet their needs or whether other modalities would be more effective. It was thus concluded that the existing diversity of tools available to common system organizations for promoting multilingualism should be maintained. At the same time, the Commission agreed on general guidelines which the organizations should follow when considering introduction, review or revision of particular elements of language-related arrangements. Those guidelines are set out in paragraph 65 (c) below.

64. Finally, with specific reference to the language incentive for the Professional staff, the Commission, while maintaining the status quo, recognized that some of the parameters of the scheme might have to be revisited at a later stage, in particular if the step salary structure on which the scheme was currently based were to be revised as a result of the pay and benefits review.

Decision of the Commission

65. The Commission decided to make the following recommendations to the General Assembly:

(a) The long-standing flexibility provided to the organizations in applying the language recognition schemes and other tools to promote multilingualism in the United Nations common system has been effective in meeting their diverse operational needs and should therefore be maintained;

(b) The organizations should be encouraged to continue, taking into account their practical needs and within their budget considerations, efforts to promote the use of additional languages in a multicultural environment of international civil service to further their operational goals;

(c) When reviewing or developing programmes to improve the organizational effectiveness through multilingualism, the organizations should, where appropriate and advisable, consider the following general guidelines:

(i) If the operational mandate so requires, proficiency in more than one official language of the organization should be included in vacancy announcements as a qualification requirement;

(ii) The knowledge and use of additional languages should be taken into account in career development and promotions of staff;

(iii) Where a language allowance or a language incentive is administered, verification of language proficiency should be in place, with specific mechanisms to be determined by operational requirements and budget considerations; such mechanisms could include retesting examinations or

certification or observance of language use under the performance appraisal system;

(iv) Where it could improve organizational effectiveness (e.g., facilitate mobility), free training in official as well as other languages could be considered for staff and family members;

(v) Where language proficiency is a job or mobility requirement, training should be fully paid for by the organization; in other cases, cost-sharing could be considered;

(vi) The language incentive or allowance should not be applicable to the use of the mother tongue or to language staff;

(vii) Free training or cost-sharing could be considered in lieu of providing a language incentive or allowance;

(viii) Where monetary language incentive schemes are to be administered, the focus should be to encourage the practical use and application of languages in the interest of improved organizational effectiveness.

(iii) Education grant: review of the methodology for determining the grant

66. The Commission decided to inform the General Assembly that it would continue its review of the education grant methodology and that it intended to report on the outcome of the review at the sixty-third session of the Assembly.

Chapter VII
Working methods of the International Civil Service Commission

A. Strengthening the role and functioning of the Commission

67. Immediately prior to its sixty-fifth session, members of the Commission and members of its secretariat held a retreat to consider ways to further strengthen the Commission and to maximize its ability to support the General Assembly in guiding the common system. It sought to be more proactive through improved relationships with its partners and a focus on strategic planning. It also examined how it could improve its functioning by streamlining its working methods, using existing resources more effectively and making its reports to the General Assembly more concise and easier to understand. It further committed to responding to requests of the General Assembly in a more timely manner.

68. There was strong unanimous commitment to change and a number of important goals were identified, notably to:

(a) Refocus the role of the Commission as both a regulatory and a coordinating body, within its statute, recognizing that the common system required both coherence and flexibility;

(b) Develop and/or strengthen its roles in:

(i) Strategic planning of the work of the Commission;

(ii) Policy development and guidance;

(iii) Coordination among stakeholders;

(iv) Monitoring/compliance;

(v) Regulation;

(c) Streamline and simplify current activities to achieve these objectives within current resources;

(d) Develop an action plan aimed at building a more efficient, effective and strategic Commission by:

(i) Building a more solid personnel database for analysis and decision-making through use of the Enterprise Resource Planning systems and improving the exchange of information and data between the Commission and the organizations of the common system;

(ii) Maintaining an inventory of best practices both within and outside the common system.

69. The Commission gave priority to issues of high value to the organizations and to the future of the common system. It also committed itself to improving coordination with all its stakeholders to achieve more coherent and effective human resources management across the common system.

70. The Commission developed an action plan (see annex VII) designed to streamline and simplify current activities and to achieve these goals as outlined in paragraph 68 above.

71. It was agreed that optimal use of the Commission's time would be made by:

(a) Maintaining the existing commitment of 10 weeks over two years of Commissioners' time in support of higher value-added activities;

(b) Holding shorter formal meetings (e.g., two weeks);

(c) Having more informal meetings, task groups, retreats, etc.

72. The Commission, in close cooperation with its partners, will be putting in place, over the next 24 months, the reforms it has decided upon and will conduct annual evaluations of the progress made.

B. Meeting with representatives of executive heads of the Geneva-based organizations

73. As part of its effort to strengthen partnerships with its stakeholders, the Commission held a special meeting, prior to the opening of its sixty-fifth session, with the Geneva-based organizations, which was attended by representatives of the executive heads of International Labour Organization, International Telecommunication Union, Joint United Nations Programme on HIV/AIDS, Office of the United Nations High Commissioner for Refugees, United Nations Office at Geneva, World Health Organization, World Intellectual Property Organization and WMO.

74. The meeting focused on identifying issues of high strategic value to most or all organizations, where ICSC could have a particularly important role to play. Such issues included, inter alia, contractual arrangements, mobility and rotation, conditions of service in the field and the simplification of the pay and benefits system. Ways of enhancing the Commission's interaction with the organizations were also discussed. In this context, the participants considered it advisable to encourage ICSC presence at CEB and CEB/High-Level Committee on Management meetings, as well as at sessions of the governing bodies of individual organizations.

75. The organizations' representatives welcomed the Commission's current initiative to promote a direct and open dialogue with the executive heads. For its part, the ICSC Chairman indicated the Commission's commitment to continue improving and expanding communication channels with the organizations.

Annex I

Programme of work of the International Civil Service Commission for 2008-2009

I. Conditions of service of Professional and higher categories

1. Base/floor salary scale.
2. United Nations/United States net remuneration margin:
   (a) Annual evolution monitoring;
   (b) United Nations/United States grade equivalency studies.
3. Mobility/hardship scheme: review of the operation of the revised scheme.
4. Hazard pay: review of the level.
5. Children's and secondary dependant's allowances:
   (a) Review of the methodology;
   (b) Review of the level.
6. Separation payments.
7. Single vs. dependency rate — salary scales.
8. Advisory Committee on Post Adjustment Questions (ACPAQ):
   (a) Report of the thirtieth session of ACPAQ;
   (b) Agenda for the thirty-first session of ACPAQ;
   (c) Report of the thirty-first session of ACPAQ;
   (d) Agenda for the thirty-second session of ACPAQ.
9. Assessing the implementation of the new Job Evaluation Master Standard for the Professional and higher categories.
10. Progress report on development of a Senior Management Network.

II. Conditions of service of General Service and related categories

1. Surveys of best prevailing conditions of employment at:
   (a) Geneva;
   (b) Vienna.
2. Review of the General Service salary survey methodologies.
3. Considerations related to reviewing the Job Evaluation Standards for the General Service and related categories.

III. Conditions of service applicable to both categories

1. Review of the pay and benefits system: assessment of the pilot study of pay-for-performance/broad banding.
2. Standards of conduct for the international civil service.
3. Mobility.
4. Performance management and evaluation.
5. Review of contractual arrangements, including appointments of limited duration.
6. Education grant:
   (a) Review of the methodology;
   (b) Review of the level.
7. Survey and report on gender balance in the United Nations common system.

IV. Conditions of service in the field

1. Survey conditions and pay compensation/entitlements of National Professional Officers.
2. Effectiveness and impact of recruitment and retention measures at difficult duty stations.

V. Reporting and monitoring

1. Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system.
2. Monitoring of implementation of decisions and recommendations of the International Civil Service Commission by organizations of the United Nations common system.
3. Progress evaluation of the Action Plan to Strengthen the Role and Functioning of the Commission.
4. Alignment of budget with strategic plans.

Annex II

Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2007)

Grade	*Net remuneration (United States dollars)*		*United Nations/United States ratio (United States, Washington, D.C. = 100)*	*United Nations/United States ratio adjusted for cost-of-living differential*	*Weights for calculation of overall ratio*[c]
	United Nations[a,b]	*United States*			
P-1	62 494	47 322	132.1	115.3	0.6
P-2	81 286	62 496	130.1	113.5	8.4
P-3	100 579	77 288	130.1	113.5	22.1
P-4	121 506	93 097	130.5	113.9	31.7
P-5	142 754	109 205	130.7	114.0	25.8
D-1	164 271	125 182	131.2	114.5	8.8
D-2	175 546	131 723	133.3	116.3	2.7
Weighted average ratio before adjustment for New York/Washington, D.C. cost-of-living differential					130.6
New York/Washington, D.C. cost-of-living ratio					114.6
Weighted average ratio, adjusted for cost-of-living difference					113.9

[a] Average United Nations net salaries at dependency level by grade reflecting eight months at multiplier 59.9 and four months at multiplier 64.8 (on the basis of the salary scale in effect from 1 January 2007).

[b] For the calculation of the average United Nations salaries, CEB Personnel Statistics as at 31 December 2005 were used.

[c] These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 2005.

Annex III

Recommended salary scale for the Professional and higher categories: annual gross salaries and net equivalents after application of staff assessment (effective 1 January 2008)

(United States dollars)

Level		*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
USG	**Gross**	**189 929**														
	Net D	136 454														
	Net S	122 802														
ASG	**Gross**	**172 546**														
	Net D	125 155														
	Net S	113 332														
D-2	**Gross**	**141 524**	**144 528**	**147 534**	**150 566**	**153 709**	**156 854**									
	Net D	104 736	106 779	108 823	110 868	112 911	114 955									
	Net S	96 219	97 944	99 663	101 375	103 084	104 784									
D-1	**Gross**	**129 304**	**131 944**	**134 579**	**137 219**	**139 859**	**142 496**	**145 135**	**147 775**	**150 431**						
	Net D	96 427	98 222	100 014	101 809	103 604	105 397	107 192	108 987	110 780						
	Net S	89 129	90 689	92 245	93 797	95 346	96 892	98 432	99 971	101 505						
P-5	**Gross**	**106 907**	**109 153**	**111 399**	**113 641**	**115 888**	**118 131**	**120 378**	**122 622**	**124 868**	**127 112**	**129 356**	**131 601**	**133 847**		
	Net D	81 197	82 724	84 251	85 776	87 304	88 829	90 357	91 883	93 410	94 936	96 462	97 989	99 516		
	Net S	75 432	76 789	78 141	79 493	80 842	82 187	83 532	84 873	86 213	87 550	88 885	90 216	91 547		
P-4	**Gross**	**87 790**	**89 836**	**91 882**	**93 926**	**95 974**	**98 019**	**100 071**	**102 235**	**104 403**	**106 566**	**108 734**	**110 899**	**113 066**	**115 232**	**117 400**
	Net D	67 709	69 182	70 655	72 127	73 601	75 074	76 548	78 020	79 494	80 965	82 439	83 911	85 385	86 858	88 332
	Net S	63 052	64 394	65 734	67 071	68 408	69 744	71 079	72 411	73 742	75 073	76 401	77 729	79 056	80 381	81 705
P-3	**Gross**	**71 729**	**73 622**	**75 518**	**77 410**	**79 306**	**81 197**	**83 090**	**84 986**	**86 881**	**88 774**	**90 669**	**92 560**	**94 457**	**96 349**	**98 242**
	Net D	56 145	57 508	58 873	60 235	61 600	62 962	64 325	65 690	67 054	68 417	69 782	71 143	72 509	73 871	75 234
	Net S	52 408	53 662	54 918	56 171	57 427	58 679	59 932	61 188	62 440	63 694	64 944	66 195	67 443	68 693	69 943
P-2	**Gross**	**58 401**	**60 097**	**61 790**	**63 485**	**65 179**	**66 871**	**68 567**	**70 257**	**71 953**	**73 649**	**75 340**	**77 038**			
	Net D	46 549	47 770	48 989	50 209	51 429	52 647	53 868	55 085	56 306	57 527	58 745	59 967			
	Net S	43 662	44 769	45 872	46 978	48 082	49 188	50 312	51 432	52 557	53 679	54 799	55 924			
P-1	**Gross**	**45 493**	**46 942**	**48 386**	**49 836**	**51 440**	**53 068**	**54 699**	**56 326**	**57 951**	**59 581**					
	Net D	36 849	38 023	39 193	40 367	41 537	42 709	43 883	45 055	46 225	47 398					
	Net S	34 760	35 840	36 921	38 001	39 080	40 159	41 240	42 307	43 369	44 431					

Note D = Rate applicable to staff members with a dependent spouse or child.
S = Rate applicable to staff members with no dependent spouse or child.

Annex IV

Model for estimating financial implications of changes in the base salary scale

1. The secretariat developed and tested a model to estimate the financial implications of changes in the base/floor salary scales. The model utilizes as inputs the following data:

(a) The staff statistics, as provided by CEB (grade, step and dependency status for staff members in the Professional and higher categories in the United Nations common system;

(b) The salary scales (existing and proposed) for the Professional and higher categories;

(c) The latest post adjustment classifications for duty stations.

2. The model utilizes the net salary calculator, which is applied to all Professional and higher category staff in the CEB database. The costs are then presented as a matrix (by duty station and by organization). The total cost to the organizations is obtained by the staff-level costs for all staff in the CEB database.

3. The model is very flexible and can be easily adapted to carry out the estimation of financial implications of many complex scenarios, such as:

(a) A proportional increase in the base/floor salary scale;

(b) A non-proportional increase in the base/floor scale; and/or

(c) Changes in the post adjustment classifications of the duty stations.

Annex V

Model for estimating financial implications of the mobility and hardship scheme

1. The secretariat developed and tested the model to estimate the cost implications of changes in the mobility and hardship scheme. The model utilizes as inputs the following data:

(a) The staff statistics, as provided by CEB on composition of staff by duty station (grade, dependency status, number of assignments, non-removal allowance and entitlement status);

(b) The matrices of flat amount payments for the mobility, hardship and non-removal allowances (existing and proposed);

(c) The latest hardship classifications for the duty stations.

2. The model utilizes the calculator for hardship, mobility and non-removal allowances, which is applied to all eligible staff in the CEB database. The total cost is presented for each of the allowances and can be broken down by duty station and by organization.

Annex VI

Recommended net salary scale for staff in the General Service and related categories in London

Effective date: October 2006

(Pounds sterling)

	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11**
G-7	27 582	28 684	29 786	30 888	31 990	33 092	34 194	35 296	36 398	37 500	38 602
G-6	24 627	25 612	26 597	27 582	28 567	29 552	30 537	31 522	32 507	33 492	34 477
G-5	21 985	22 864	23 743	24 622	25 501	26 380	27 259	28 138	29 017	29 896	30 775
G-4	19 630	20 413	21 196	21 979	22 762	23 545	24 328	25 111	25 894	26 677	27 460
G-3	17 528	18 228	18 928	19 628	20 328	21 028	21 728	22 428	23 128	23 828	24 528
G-2	15 651	16 277	16 903	17 529	18 155	18 781	19 407	20 033	20 659	21 285	21 911
G-1	13 972	14 534	15 096	15 658	16 220	16 782	17 344	17 906	18 468	19 030	19 592

* Longevity step.

Annex VII

Action plan to strengthen the role and functioning of the International Civil Service Commission

Part I. General consensus

1. To refocus the role of ICSC as both a regulatory and a coordinating body, within the existing statute, keeping in mind that the common system requires both coherence and flexibility.
2. To develop and/or strengthen the ICSC role in:
   (a) Strategic planning;
   (b) Policy;
   (c) Coordination;
   (d) Monitoring and compliance;
   (e) Regulation.
3. To develop a plan of action to build an efficient and strategic ICSC.
4. To streamline and simplify current activities in order to achieve these objectives.

Part II. Roles

A. Strategic planning role

1. Develop a strategic planning role, in order to better position the Commission to be proactive, to provide focus, to set multi-year priorities and to strengthen partnerships with participating organizations and staff representatives in the common system.
2. The strategic planning role will contribute to more efficient coordination by providing focus, defining timelines and facilitating participation by all partners.
3. Give priority to issues of high value to organizations and to the future of the common system, such as:
   (a) Measures to promote increased productivity and efficiency:
      (i) Performance management;
      (ii) Mobility.
   (b) Modernize and simplify the system

      Who: Chairman and Vice-Chairman, in consultation with Commissioners

      When: Ongoing

B. Policy role

1. Develop the policy capacity of ICSC over time, recognizing that it can only be achieved incrementally.

2. Ensure policy coherence across the common system.

3. Reallocate internal resources as necessary, adopt a partnership approach with organizations inside and outside the common system, search for best practices and maintain a commitment to obtain improved workforce statistics and to disseminate information in a timely manner.

   Who: Executive Secretary

   When: Ongoing

C. Coordination role

1. Strengthen the ICSC role in bringing together all participants in the common system.

2. Ensure greater consultation by common system organizations and other United Nations entities with ICSC, with a view to improving the effectiveness of the work of ICSC.

   Who: Chairman, Vice-Chairman and Executive Secretary

   When: Ongoing

D. Monitoring, reporting and compliance role

1. Recognizing that monitoring through questionnaires is not satisfactory, explore new approaches that are mutually beneficial and provide mutual feedback in an interactive process.

2. Use monitoring for compliance to strengthen the strategic planning role of ICSC.

   Who: Executive Secretary

   When: Ongoing

E. Regulatory role

Some areas identified for improvement:

1. Using the monitoring role to identify areas of variance in the implementation of ICSC decisions, on occasion, provide interpretation guidelines for the benefit of participating organizations.

2. Review the ICSC compendium in order to facilitate historical research on key decisions and recommendations.

3. Ensure that ICSC decisions continue to take into account feasibility of implementation and cost.

   Who: Executive Secretary

   When: Ongoing

Part III. Priorities

1. **To use task groups in support of the work of the Commission and the strategic plan to:**

   - Advance the work of the Commission
   - Build consensus
   - Expedite decision-making

	Action	*Who*	*Target date*
1.1	Develop and circulate a proposal on the modalities to implement the above	Executive Secretary	September 2007
1.2	Approve the proposal	Commissioners	December 2007

2. **To make optimal use of the Commission's time:**

   - Maintain the existing commitment of 10 weeks over two years of Commissioners' time in support of higher value-added activities
   - Hold shorter formal meetings (e.g., two weeks' duration)
   - Have more informal meetings, task groups, retreats

	Action	*Who*	*Target date*
2.1	Develop modalities for the above	Chairman and Vice-Chairman	Following the sixty-fifth session
2.2	Approve modalities	Commissioners	Following the sixty-fifth session

3. **To develop ways and means to expedite decision-making, including timely responses to urgent requests from the General Assembly and the governing bodies of common system organizations**

	Action	*Who*	*Target date*
3.1	Develop procedures and guidelines (e.g., the use of e-mails, chat rooms, the annexing of agenda items without discussion)	Executive Secretary	September 2007
3.2	Approve procedures and guidelines	Commissioners	December 2007

4. To continually explore new approaches to annual reporting that focus on the intended audience and improve readability

	Action	*Who*	*Target date*
4.1	To continually explore new approaches to annual reporting that focus on the intended audience and improve readability	Executive Secretary	Ongoing

5. To improve communication with Member States

	Action	*Who*	*Target date*
5.1	To improve communication with Member States	Chairman and Vice-Chairman	Ongoing

6. To improve communication and coordination

	Action	*Who*	*Target date*
6.1	Improve communication between Commissioners and the Chairman, Vice-Chairman and secretariat	Chairman, Vice-Chairman and Executive Secretary	Ongoing
6.2	Improve horizontal communication and coordination within the secretariat	Executive Secretary	Ongoing

7. To build capacity in the secretariat

	Action	*Who*	*Target date*
7.1	Enhance career development and training, develop new work systems and procedures (including for information technology) within the secretariat	Executive Secretary	Ongoing

8. To further clarify the division of work between the Chairman and Vice-Chairman

	Action	*Who*	*Target date*
8.1	To further clarify the division of work among the Chairman and Vice-Chairman	Chairman and Vice-Chairman	October 2007

9. To provide periodic reports on implementation of the plan of action (parts I-III)

	Action	*Who*	*Target date*
9.1	Quarterly reports	Executive Secretary	Quarterly, starting December 2007

10. To evaluate progress on this whole plan of action (parts I-III)

	Action	*Who*	*Target date*
10.1	Preparation of evaluation report	Chairman and Vice-Chairman	For sixty-seventh session
10.2	Evaluation of progress and possible adjustment of plan	Commissioners	Annual, starting at sixty-seventh session

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